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*Jeffrey M. Nelson*  
Counsel for ORS

June 16, 2014

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

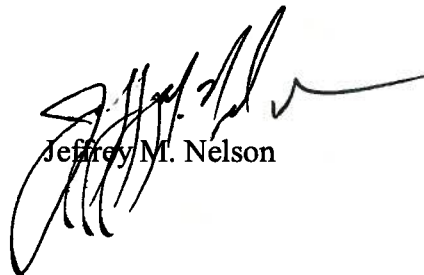
Re: Annual Review of Base Rates for Fuel Costs of Duke Energy Progress, Incorporated  
**Docket No. 2014-1-E**

Dear Ms. Boyd:

Enclosed please find Attachment A of the Settlement Agreement which was e-filed with the Commission on June 12, 2014.

If additional information is needed please do not hesitate to contact me.

Sincerely,



Jeffrey M. Nelson

Encl.

cc: Michael K. Lavanga, Esquire (via e-mail and U.S. Mail)  
Garrett A. Stone, Esquire (via e-mail and U.S. Mail)  
Brian Lamont Franklin, Esquire (via e-mail and U.S. Mail)  
Timika Shafeek-Horton, Esquire (via e-mail and U.S. Mail)  
Robert R. Smith, II, Esquire (via e-mail and U.S. Mail)  
Frank R. Ellerbe, III, Esquire (via e-mail and U.S. Mail)

**Calculation of Base Fuel Component**  
**Duke Energy Progress, Inc.**  
*Docket No. 2014-1-E*

**ATTACHMENT A**

<b>Projected Fuel Expense: July 2014 through June 2015</b>	
Cost of Fuel	\$1,457,627,451
System Sales (MWh)	54,924,720
Average Cost (cents/kWh)	2.654
<b>Revenue Difference To be Collected from July 2014 through June 2015</b>	
(Over)/Under-Recovery at June 30, 2014	\$18,720,972
Projected S.C. Retail Sales (MWh)	6,440,969
Average Cost (cents/kWh)	0.291
<b>Base Fuel Cost Per kWh: Projected Period</b>	
Average Fuel Cost (cents/kWh)	2.654
Revenue Difference (cents/kWh)	0.291
<b><i>Base Fuel Component (cents/kWh)</i></b>	<b><i>2.945</i></b>